

Project Abstract

Evaluating and planning for a state-based exchange is an integral part of the Affordable Care Act. With the help of the planning grant funds, the South Dakota Governor's Office will guide the key state agencies and stakeholders through the planning process. The state intends to use this planning period in order to help determine whether or not to proceed with a state-based exchange, or default to the federal exchange outlined in the Patient Protection and Affordable Care Act. If the state determines that a state-based exchange is feasible and financially sustainable, the state will use the planning grant funds to determine the needed governance structure, program intersection points, technical infrastructure, staffing, accounting and auditing procedures, and policies.

The proposed budget for the planning grant is \$1 million, which includes funding for research, personnel, and stakeholder involvement.

The grant will be used to plan for an exchange in South Dakota by evaluating a number of relevant areas to determine the feasibility of operating a state-based exchange. Research is a significant portion of the planning process. The state will complete background research, utilizing existing sources of information, as well as engage a vendor to conduct research on the general state of insurance and uninsured population in the state. Recognizing stakeholder involvement as a key piece of the planning process, the state will request that the South Dakota Healthcare Commission appoint a study group, as well as perform stakeholder outreach on an ongoing basis. The program integration piece of the planning grant involves conducting an assessment of key program intersection points including, eligibility determinations, consumer protections, and premium regulations. In addition, the resources and capabilities needed, including staffing requirements, for planning and running an exchange will be evaluated.

One major component of the planning grant involves determining the governance structure for a state-based exchange. In addition to determining the governance structure, South Dakota will also evaluate the financial aspects of planning for an exchange, including determining the necessary accounting and auditing standards.

Analyzing the state's technical infrastructure is another key component of the planning process. During this process, the state will assess the current technical infrastructure and capabilities, determine what information systems are needed by an exchange, and develop a roadmap of the systems and their functionalities. In addition to the activities outlined above, South Dakota has laid out some of the essential business operations to be performed during the planning process. These include, cataloging exchange requirements and regulations, and completing the development of workflow charts and processes. Finally, the state will determine the regulatory and policy actions needed for running an exchange during the planning process.